

# Rapidly Delivering Services to Communities of Interest

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**<http://ignition>**



# FY '08 Highlights

- \$341M Dedicated Capex (Servers)
- \$ 179M Shared Capex (Networks, etc.)
- \$ 610M Data Center Capex (Facility, Lease Improvements)
- \$ 1.1B Total Capex
- \$ 910 Opex
- BiS – 1124 (820 Ops, R &D 249, G & A 35)
- 200 Billing clients at the end of '07 (+30 new clients in '08)
- 185K Servers in production by end of '08
- **Every dollar distributed via the Service Model (CoBAM) to product teams**

# The GOLD Service Delivery Model

1. Service Catalog – <http://ignition>
2. Consumption Based Allocation Model (CoBAM)
3. Client Accountability Program

# Our learnings - 1

- Tell the clients what we do and how



# CoBAM – Guiding Principles

## *Consumption Based Allocation Model*

- Put our clients in control of their operational costs
- 90%+ of allocated costs based on controllable consumption
- Clients directly benefit from their quality, architectural and technical innovations
- Efficient clients no longer subsidize the less efficient
- Give clients the flexibility to turn services and associated costs on and off as needed - “on-demand”
- **Operations’ budget = services consumed [units by group] \* unit cost**

# The CoBAM Statement

- **Business Planning Services** ->
- **Data Center Move, Add, Change** ->
- **Data Backup** ->
- **Packaged Service Offerings** ->
- **Service Engineering & Mgmt** ->
- **Network: Public, Admin, Egress** ->
- **Security Services** ->
- **Equipment Depreciation / G&A** ->
- **Corporate Allocation** ->

Client Statement: Windows Live Operations Client Properties

Client : MSN Messenger				Fiscal Period: Jan-2007		
Additional Information						
Oct-07 Bay2, Data Center Power & Cooling data & Connectivity Bandwidth for Dec-07 adjusted						
Service	Sub Service	Unit	Rate(\$)	Month To Date		Year To Date
				Usage	Allocation (\$)	Allocation (\$)
Business Planning	Asset Tracking & Procurement	Server	4.10	3,549.00	14,550.90	110,178.00
	Business Continuity Planning	People	173.33	-	-	-
	Partner Management	People	11,667.07	0.75	8,750.30	58,873.27
	Quality Management	People	14,171.73	0.90	12,697.87	45,984.76
Data Center M/A/C	Data Center Infrastructure	Rack Units	7.94	5,488.00	43,574.72	247,926.50
	Data Center Services	Hour	95.00	2,253.00	214,035.00	645,335.00
	Deployment	People	26,573.73	0.29	7,706.38	95,971.96
Data Protection	Back-Up 7 Day Retention	GB	0.55	-	-	-
	Back-Up 30 Day Retention	GB	0.55	101.27	55.70	351.97
	Back-Up 60 Day Retention	GB	0.55	-	-	-
	Back-Up 1 Yr Retention	GB	0.65	-	-	-
	Back-Up 7 Yr Retention	GB	0.65	-	-	-
Flexible Hosting	ASP Shared Platform	Server	-	-	-	-
	Co-Location Platform	Server	-	-	-	-
Global Ops Services	Manageability Assessments	People	16,931.20	-	-	-
	Operational Consulting Services	People	16,931.20	-	-	-
	T2 Lab Support	People	16,931.20	-	-	-
	T2 Service Engineering	People	16,931.20	9.05	153,227.36	1,031,683.31
	T2 Service Management	People	16,740.53	2.75	46,036.46	327,959.83
Network Services	Base Networking Services	Ports	50.00	4,991.00	249,550.00	1,604,015.16
	Connectivity - Bandwidth - US	Mbps	20.00	14,359.80	287,196.00	2,191,099.10
	Connectivity - Bandwidth - ASIA	Mbps	90.00	0.02	1.80	8.28
	Connectivity - Bandwidth - EMEA	Mbps	40.00	51.98	2,079.20	11,307.60
	Connectivity - Hardware	Mbps	5.00	14,411.80	72,059.00	556,899.15
	Dedicated Project Support	People	36,504.00	-	-	-
	Networking	Hour	95.00	3.00	285.00	20,960.00
	Ops Center - Incident	Hour	120.12	63.00	7,567.56	96,278.76
Secure Data Center	Floor space - US	Rack Units	28.00	5,168.00	144,704.00	857,512.69
	Floor space - ASIA	Rack Units	28.00	240.00	6,720.00	20,160.00
	Floor space - EMEA	Rack Units	28.00	80.00	2,240.00	11,440.00
	Power and Cooling - US	kWh	0.13	687,415.25	89,363.98	463,359.56
	Power and Cooling - ASIA	kWh	0.13	26,280.00	3,416.40	10,420.02
	Power and Cooling - EMEA	kWh	0.13	8,760.00	1,138.80	7,446.00
Security Services	Consultative	People	173.33	-	-	-
	Criminal Compliance &	Incidents	15.32	-	-	-
Total Cost :				1,366,956.43	8,415,170.92	
http://servicecatalog	Consumption & Foundation Based Allocation :					\$1,366,956.43
	Dedicated Cost :					-
	Shared Platform & Security :					\$145,486.72
	General & Administrative :					\$55,500.49
	Adjustments :					\$-4,261.26
	Monthly Allocation :					\$1,563,682.39
	Core Hosting Services Corporate Adjustment :					\$720,233.86
	Monthly Allocation to MSN Messenger's I/O :					\$843,448.53

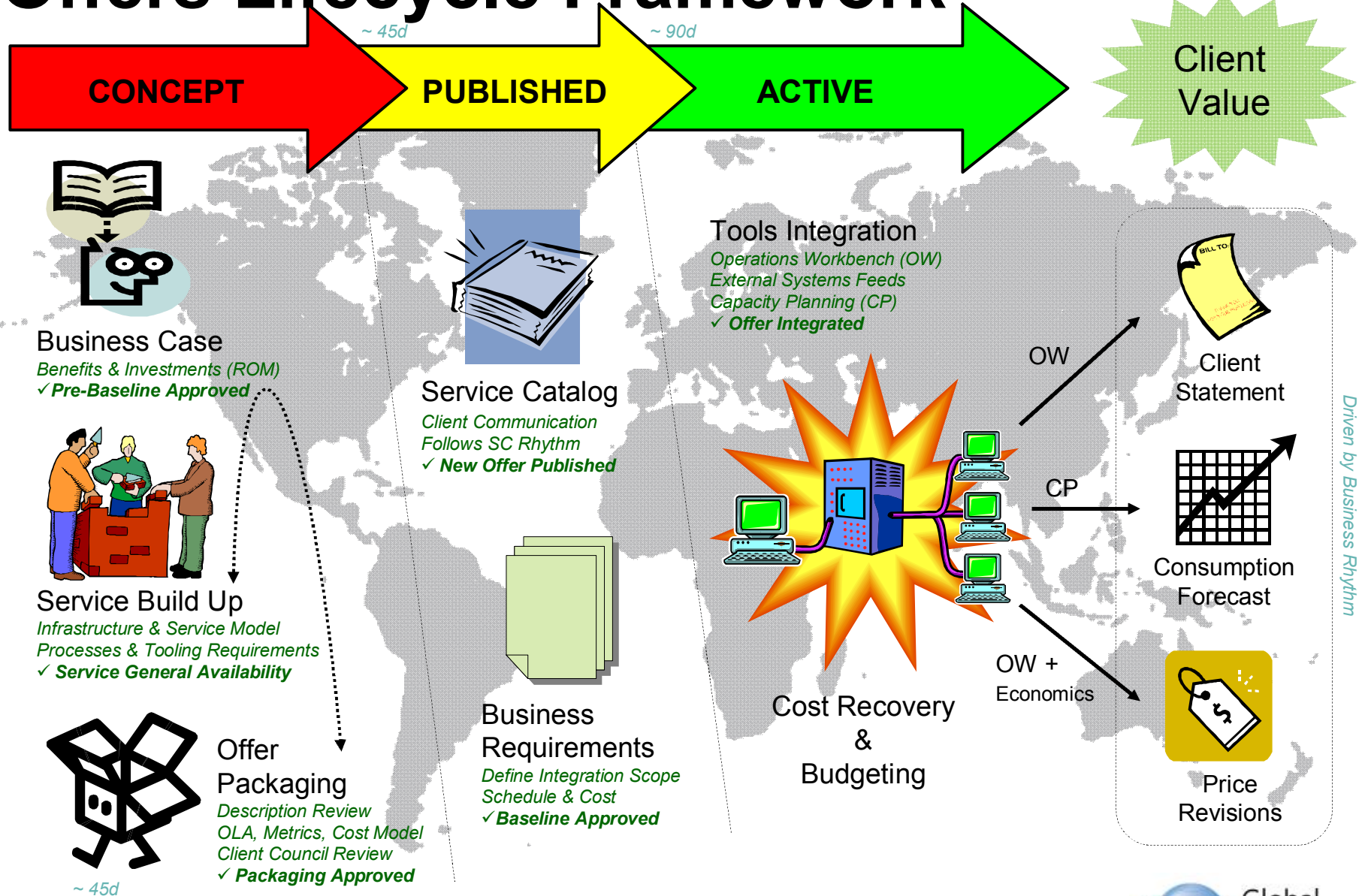
# Our Learnings - 2

- Provide Transparency in costs – allow open scrutiny of services performed

# TBC – Task Based Consumption

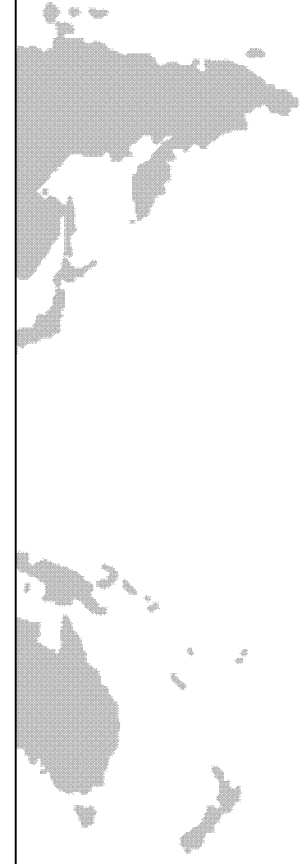
- Past problems
  - All tickets were treated the same
  - Cost per ticket was the same regardless of complexity
  - Inaccurate representation of actual costs
- Answer was TBC
  - Tickets were broken down into tasks
  - Each Task had a time average associated with it
  - Cost of the ticket is arrived at by multiplying the rate per hour with the total time taken for all tasks

# Offers Lifecycle Framework



# Our Learnings - 3

- Introduce a rhythm for when services are released



# Our Learnings - 4

- Create a Self-serve experience - Automate

# Client Programs

- Client Advisory Council
  - Monthly meetings to discuss operations plans and get feedback
- Client Satisfaction Survey & Action Planning
  - Annual poll to garner feedback
  - Action Planning across various teams in operations
  - Pulse Surveys in September
- Client Focus Group
  - With select set of clients
- Statement Accuracy Initiative
  - Major issue on the feedback from the last poll
  - Better accuracy and consumption based chargeback to clients
- Business Ignition Portal – <http://ignition>
  - One-Stop-Shop for all client needs with GFS

# Ongoing Support

The Client Management team:

- Provide a resolution channel for business impacting issues
- Conduct Monthly/Quarterly business planning reviews
- Provide service improvements via satisfaction polls
- Keep clients current on OLA's, SLA's and new consumption planning
- Respond to changing business needs via the engagement model
- OSSAR

# Our Learnings - 5

- Ensure the highest levels of satisfaction – Measure and Act appropriately

# Partnering Process

2 - n weeks

## Business Requirements

### 1. Requirements Definition -

Gathering customer requirements, situation analysis, problem definition. Objective is to qualify the lead. Engagement control document (Statement of Work - SoW) initiated to collect, index and track pertinent information to qualify lead and identify stakeholders.

### 2. Service Recommendation -

Estimated Consumption Plan (units) for prospective engagement

### 3. Mutual Client-Ops Initial Agreement -

Solid indication that customer is serious and has executive level support/funding and approval to proceed marking the beginning of Opportunity phase. Fit and readiness for both MSN and the client is agreed.

### 4. Technical Feasibility Assessment -

Includes Product and Service Roadmaps/ Timeline, Topology, Hosting Spec, Marketing Projections, Perf data, Headcount estimates, Supportability Fit/ Gap Analysis, Risk Assessment, Assumptions, Capacity Impact Statement

### 5. MSN Ops Financial Impact Analysis -

Additional costs to MSN for supporting clearly called out. Calculated using unit cost drivers per pricing model.

### 6. Statement of Work (SoW) -

Formal definition of services that will be provided by whom, and by when including all SLA/OLAs. Includes all prior deliverables, including *Technical Feasibility Assessment*, and *Financial Impact*

### 7. Ops Go/No-Go Decision -

Specific approval is sought for engagements having Service,

## Recommendations

### 8. Present SoW to Client -

Share results of SoW with Client to communicate specific operational issues related to Security, Architecture, Headcount, and estimated allocation expense.

### 9. Client Go/No-Go Decision -

Client accepts the SoW by providing OSS with the necessary Budget I/O's necessary to initiate work by SO.

### 10. Complete SO Entrance Criteria Checklist -

Complete checklist detailing all steps required to start a new property in MSN (ex. I/O setup, iadmin, ibusiness, etc)

## Deploy

### 11. Hand-off to SO -

Assignment of SOSE/PM, DPM, Security PM, etc. as required.

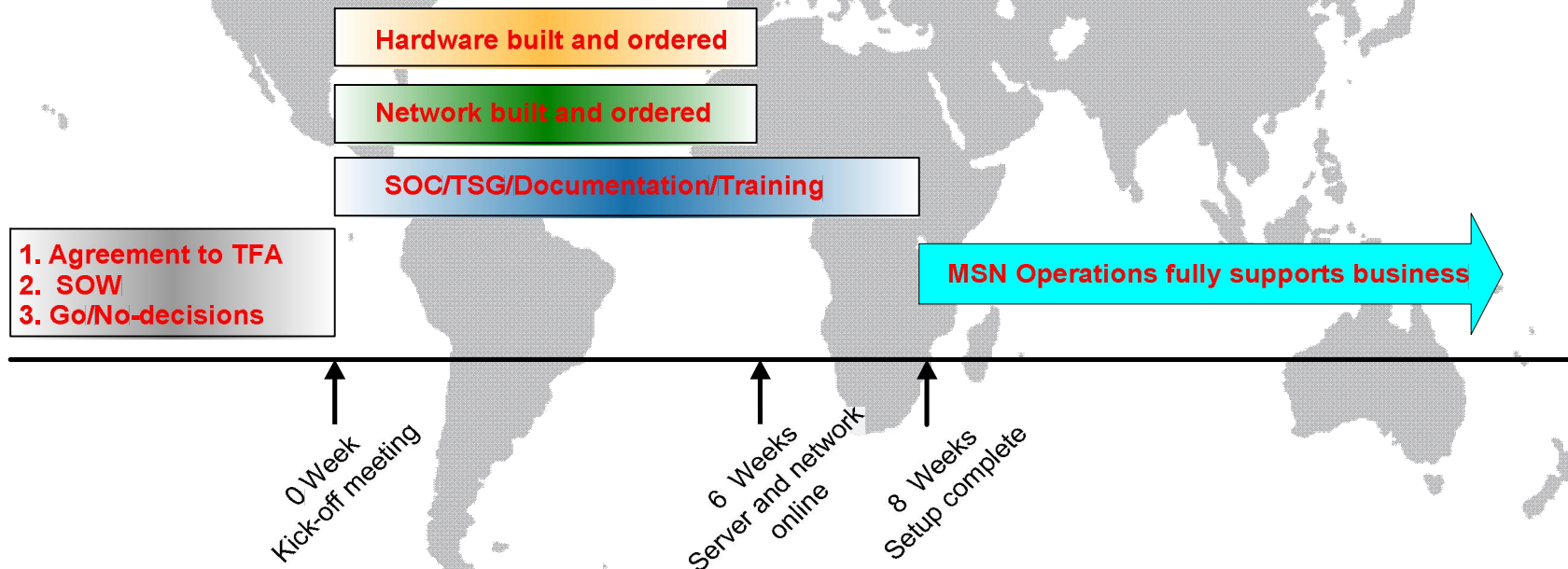
### 12. Deployment Kick-off -

Project Initiation marking the start of the Roadmap plan.

Who we are > How we support your business > What we offer > How we offer our services > **Partnering process** > Next steps > Ongoing Support

# Partnering steps and Timelines

- Requirements gathering
- Technical Feasibility Assessment
- Solution Proposal & Statement of Work
- Mutual Commitment to proceed
- Project planning



Who we are > How we support your business > What we offer > How we offer our services > Partnering process > **Next steps** > Ongoing Support

# Our Learnings -6

- Streamline processes – Faster Time to Market

# Additional Learnings

- Improve planning and forecasting processes
  - 18 month rolling forecast
- Introduce standard hardware SKUs – reduces complexity

# Our challenges today

- Data Center Space
  - Server utilizations have to be improved
  - Power is the limiting factor
- Time to market
  - Service Design Kits being developed
- Secure Segmentation and Information Security

# Questions?

